



# Maintenance of ongoing operations

## Purpose

An adequate level of base funding must be maintained to ensure students have uninterrupted access to core programs and services at an affordable price. The request addresses inflationary cost increases such as utility expenses, adjustments in employee salaries and benefits, and changes in contract costs. Without funding to cover maintenance of ongoing operations, inflationary pressures may force institutions to cut essential programs or personnel or raise revenue through tuition and fee increases.

## Proposal

The Council seeks:

- A net General Fund increase of \$49 million in 2008-09 and an additional \$57 million in 2009-10 for institutions.
- An increase of \$1.6 million in 2008-09 and an additional \$.6 million in 2009-10 for operations of the Council and the Kentucky Virtual Campus and Library.
- An increase of \$2 million in 2008-09 and an additional \$2 million in 2009-10 for Kentucky Adult Education.

## How it works

For the institutions, requested funds support:

- Inflationary increases of 3.3 percent on the net operating funds of each institution, in line with the Higher Education Cost Adjustment (HECA), an industry standard.
- The maintenance, renovation, and repair of existing buildings, equipment, and infrastructure, which requires institutional matching funds.
- The maintenance of new facilities coming online, including custodial and utility costs.
- Base adjustments to reflect changes in debt service on existing education and general debt.

- An appropriation for indigent care provided by the UofL Hospital, with base adjustments to reflect changes in contract costs.
- The transfer of appropriations from Council trust funds (Research Support, Regional Stewardship, and Workforce Development) to the institutions' recurring base operations.

For the Council, requested funds support mandatory adjustments in salaries and benefits, as well as three new agency staff support positions, two positions to implement a new data warehouse, and modest increases in the areas of communications and technology.

For Kentucky Adult Education, requested funds support and enhance local programs in each county, which are awarded through a competitive grant process. These programs provide adults functioning below a 12th-grade level with GED preparation, job readiness, basic literacy and workplace skills, family literacy, and English as a Second Language instruction.

## Highlights

- Includes inflationary increases of 3.3 percent on the net operating funds of each institution.
- Supports continued operation of the Council, Kentucky Virtual Campus and Library, and Kentucky Adult Education.
- Ensures students have uninterrupted access to core programs and services at an affordable price.